

Islamic Republic of Iran
Organization for investment economic and technical assistance of Iran

"Summary of technical-economical prefeasible study"

The name:

Shiyan Dam Recreational and Tourism Complex

Sector : Tourism Industry

Sub sector: Tourism

The owner of:

Cultural heritage, tourism and handicrafts

Counselor plan:

Razi University

The Address:

Kermanshah

Date of P.F.S:

2024/10/22

**Manager of Iran Investment Opportunities
SHAHRIG Engineering Company**

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Contents

1- Abstract	2
2- Project's location	4
2-1- Province.....	4
2-2- the County	9
2-3- the project.....	10
2-4- access to the infrastructures.....	11
3-Technical Specifications of plan.....	11
3-1– product.....	11
3-2- project's requirements.....	13
3-2-1-Space and infrastructure required	13
3-2-2-Equipment and machinery	14
3-2-3- Raw materials and intermediate components	16
3-2-4-management and human resources	16
4- Ownership and legal permission.....	17
4-1- ownership of land.....	17
4-2- Intellectual property and incentives	17
4-3- legal permission.....	18
5- Market study and Competition.....	18
5-1- Introduce target market	20
6- Physical Progress of project	20
7- Action plan and Implementation schedule	21
8- Financial projection	21
8-1- The cost estimate.....	21
The cost estimate	
...Error! Bookmark not defined.	
8-2- Estimated revenues.....	22
8-3-Duration of project operation	23
8-4-Break- even analysis.....	23
8-5- Cost-benefit analysis	25
8-6- Sensitivity analysis of IRR.....	25
8-7- Summarize table.....	26
8-8-Estimation of exchange rate changes during the project implementation.....	26
9- Capital needs, the supply and guarantees method	27
9-1- Foreign currency needed	27
9-2- The Way of participation and finance method	27
9-3- Payback period	28
10- Incentives, features and advantages of project	28

1- Abstract:

PROJECT PROFILE - SUMMARY SHEET

Project Introduction	
1- Project title: Restaurant Services, Parking Services, Recreational Services at Shiyan Dam Tourism and Recreation Complex	
2- Sector: Tourism Industry	Subsector: Tourism
3- Products / Services: This project is a service-based initiative in the field of tourism. The tourism industry is one of the most profitable and job-generating sectors in today's society, contributing significantly to global employment. The services offered at this tourism center include water sports and recreational activities (pedal boating, sport fishing), gazebos, green spaces, and a restaurant.	
4- location (address): Shiyan Dam, Shiyan Village, Eslamabad-e Gharb County, Kermanshah Province Free Zone <input type="checkbox"/> Economic Special Zone <input type="checkbox"/> Industrial Estate <input type="checkbox"/> Main Land <input type="checkbox"/>	
5- Project description: <p>This project is designed based on a capacity of 37,200 people per year. After obtaining the necessary permits, construction will begin and the operating license will be received, after which the activities will start. Therefore, from its annual income, which includes providing various recreational services, a restaurant, jet skiing, fishing, and water sports, it will be able to cover its costs and generate annual revenue.</p> <p>According to the standards for constructing a tourism complex with a capacity of 37,200 people per year, 500 square meters of land are required, of which 300 square meters will be covered space and 200 square meters will be open space. The total land area allocated for this plan is 500 square meters.</p> <p>For this complex, the necessary power supply and transformer have been specified, and electricity will be provided from the Shiyan village power grid. The plan will require approximately 100 square meters for a guard building and waiting hall, as well as open spaces, kiosks, green areas, and public parking spaces within the complex's outdoor area.</p> <p>The plan site, Shiyan Dam, is located in a beautiful and scenic area, making it an ideal place for leisure activities. With the provision of appropriate facilities for water sports, it is ready to serve both domestic and international tourists.</p>	

Project Status

6- Local / internal raw material access : 100%

7- Sale :

- Anticipated local market :70%

- Anticipated export market :30%

8 – Project total time (from start of activities to start of commercial operation in years):

The timeline for plan phases leading to operational commencement is planned for 12 months.

Schedule	Start of activities :
	Start of works at site
	End of Works :
	Start of commercial operation :

9- Project status :

- | | |
|--|-----|
| - Feasibility study available? | Yes |
| - Required land provided? | No |
| - Legal permissions (establishment license, foreign currency quota, environment, etc) taken? | No |
| - Partnership agreement concluding with local /foreign investor? | No |
| - Financing agreement concluding? | No |
| - Agreement with local /foreign contractor(s) concluding? | No |
| - Infrastructural utilities (electricity water supply, telecommunication, fuel, road, etc) procured? | No |
| - List of know- how, machinery, equipment, as well as seller /builder companies defined? | Yes |
| - Purchases agreement machinery, equipment and know-how concluded? | No |

Financial Table

10- Financial structure :

Descriptions	Local Currency Required			Foreign Currency Required Million Euro	Total Million Euro
	Million Rials	Rate	Equivalent in Million Euro		
Fix Capital	91,570	600	0.153	-	0.153
Current Capital	12,130	600	0.012	-	0.012
Total Investment	103,700	600	0.165	-	0.165

- Value of foreign equipment / machinery 0 Million Euro
- Value of local equipment / machinery 0.062 Million Euro
- Value of foreign technical know-how 0 Million Euro
- Value of local technical know-how 0 Million Euro
- Net present value (NPV): 0.09 Million Euro
- Internal Rate of Return (IRR): 42 %
- Capital Rate of Return: 53 %
- Payback Period 3 years and 4 months

General Information

11 - Project type : Establishment ■

Expansion and completion □

12- Company Profile

- **Name (Legal/Natural persons):** 1. Dr. Bijan Rezaee 2. Dr. Ehsan Khosravi

- **Company's current activities:** Razi University

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Web Site: <https://en.razi.ac.ir>

- **Company's legal structure :**

Government ■

Non-Governmental □

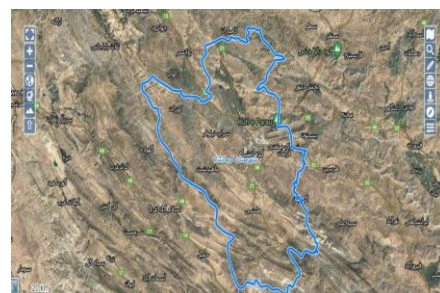
Public non-governmental □

2- Project's location:

2-1- Province:

Kermanshah Province, spanning 25,009 square kilometers and centered around the city of Kermanshah, ranks as Iran's 17th largest province. Situated in western Iran, it lies between latitudes 33°40' to 35°18' N and longitudes 45°24' to 48°7' E. It borders Kurdistan Province to the north, Lorestan and Ilam Provinces to the south, Hamadan Province to the east, and shares a 371-kilometer border with Iraq to the west. The average elevation is approximately 1,200 meters above sea level. Kermanshah Province covers 1.5% of Iran's total area. According to current administrative divisions, Kermanshah includes 14 counties, 31 cities, 86 rural districts, and 2,793 inhabited villages. The 2016 Census by Iran's Statistical Center recorded a population of

(Province Location Map Within the Country)



1,952,434, with a density of 78 people per square kilometer across 25,009 square kilometers. The largest city, Kermanshah, serves as the provincial capital with a population of 946,651. In terms of road infrastructure, Kermanshah ranks 11th nationwide in total road length (excluding rural roads), 17th in highway and freeway length per 1,000 kilometers, and 18th in main roads. The city of Kermanshah holds the highest proportion of roadways due to its substantial area within the province.

With its extensive network of intercity and rural roads, Kermanshah Province is well-positioned to undertake ambitious road development plans, aiming to upgrade a significant portion of its road network to expressway standards. With six official border crossings (Khosravi, Parviz Khan, Sumar, Shushmi, Sheikh Saleh, and Tileh Koh) and substantial tourism potential, Kermanshah Province is well-positioned to significantly contribute to the country's foreign exchange revenue and national income. A key strategy to realize this potential is to invest in the development of its road infrastructure and transportation fleet. The Kermanshah International Airport is currently one of Iran's leading airports by flight volume, and the planned

railway project will link it to the international Khosravi border and Iraq. Kermanshah is predominantly mountainous, with 70.8% of its area classified as mountainous terrain. The remaining 22.1% consists of plains, while 7.1% is categorized as foothills. In terms of altitudinal classification, 76.5% of the province is situated within the 1000-2200 meter elevation range, with the 1400-1800 meter band being the most prevalent. If we divide Kermanshah Province into two primary elevation categories—below and above 1400 meters—approximately 58.2% of the province's area falls within the higher elevation category, while the remaining 41.8% is at elevations below 1400 meters. Therefore, in addition to being a mountainous region, Kermanshah Province also has significant elevations. Kermanshah Province has a temperate mountainous climate. In the 4th century AD, this province, which was a pleasant village at the time, was chosen as the second royal residence of the Sassanian Empire. Extensive gardens were built in this area during the Sassanian period, providing a serene retreat for Sassanian monarchs for centuries. Throughout the Islamic period, Kermanshah was renowned for its pleasant climate, flowing waters, lush vegetation, and

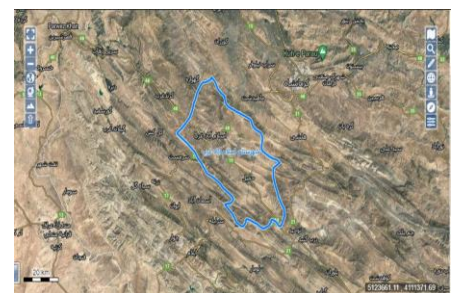
affordable goods. Writing in 290 AH, the geographer Ibn Faqih describes Kermanshah in his work 'Al-Buldan':

"From Madain to the Balkh River, Qabad traversed vast lands, yet nowhere did he find a region as enchanting as Kermanshah and the Hamdan-Asadabad pass. The purity of its air, the sweetness of its water, and the delight of its breeze compelled him to construct Qarmasin."

Kermanshah experiences a maximum of 2999 hours of sunshine annually, with the highest solar radiation occurring in July and August, and the lowest in December and January. The climatic and ecological conditions of Kermanshah, characterized by moderate annual rainfall and relative humidity, give rise to a landscape predominantly covered in forests and pastures. The region also features arable lands that are both irrigated and rain-fed. The annual average temperature in Kermanshah Province is approximately 14 degrees Celsius, and the average annual precipitation is 456.8 millimeters. The primary inhabitants of Kermanshah are Kurds. Kermanshah Province is the ancestral homeland of numerous prominent Kurdish tribes, including the Zangeneh, Kalehor, Guran, Jaaf, Sanjabi, Qalakhany, Kelyayi, Bajlan, Zoleh, Jamir, as well as

Laki tribes such as Jalalvand, Kakavand, Osmanvand, Payravand, and Balavand. Despite the official classification of Laks as a Kurdish subgroup, Kermanshah exhibits linguistic diversity, with Turkish-speaking communities, particularly the Sonqori Turks, residing alongside the Kilyayi Kurds in the city of Sanqor and Kelyai. The Sanqori dialect is a variety of Azerbaijani Turkish that is often described as a transitional form between Azerbaijani Turkish and Khorasan Turkish. Additionally, a community of Lors resides in Kangavar County, speaking the Luri-e-Salasi dialect. Over the past two centuries, migrants from other provinces, particularly Hamadan, Markazi, Isfahan, and Semnan, have settled in Kermanshah. Some non-Kurdish families, such as the Al-Aqa, Nojumi, Meybodi, Feyz Mahdavi, Shahrastani, Soduqi, Muhammadi Eraghi, Kazazi, Jaberi, and Dezfuli families, migrated to Kermanshah due to religious motivations to promote Shia Islam. These migrations have contributed to the distinctive Kermanshahi Persian dialect.

(County Location Map Within the Province)



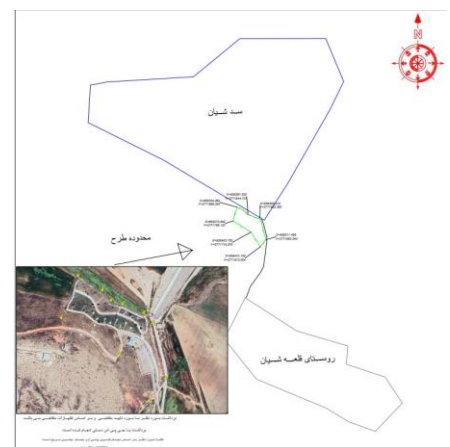
2-2- the County:

Islamabad-e-Gharb County, with an area of approximately 2,125.05 square kilometers, accounts for 8.5% of the total area of Kermanshah Province. This county is located in the southern part of the province and is bordered to the north by Dalahoo County, to the south by Lorestan Province, to the east by Kermanshah County, and to the west by Gilan-e-Gharb County. The county comprises 2 urban centers, 2 districts, 7 rural districts, and 172 inhabited villages. It has a history dating back 6,000 to 7,000 years. Due to its strategic location, Islamabad-e-Gharb County serves as a connecting point between four provinces: Kermanshah, Ilam, Lorestan, and Khuzestan. Its position along the route to Karbala further enhances the county's strategic significance.

2-3- the project:

The plan site is located in Islamabad-e-Gharb County, 13 kilometers from the city of Islamabad-e-Gharb, in the village of Sarab Shiyan (Shiyan Reservoir Dam). The Shiyan Dam is built on one of the oldest water sources in the region, the Sarab Shiyan, which has been providing water for nearly two thousand years. The dam is located near the village of Shiyan, which is part of Islamabad-e-Gharb County, and has now become one of the most beautiful and renowned natural tourist destinations. The Shiyan Dam is situated within the limits of Shiyan village. The road leading to it diverges from the main highway connecting Kermanshah to Islamabad-e-Gharb, and branches off before reaching the city of Islamabad-e-Gharb. The route from Shiyan village to the dam, including the Khamreh area, is one of the most pristine areas in Islamabad-e-Gharb County, both from a climatic and natural perspective, as well as in terms of cultural, historical, and ethnological significance. One of the features of the Shiyan Dam is its role in the breeding and production of warm-water fish, which has made it a popular destination for anglers. The dam is located in an area bordered by the Zagros mountains on one side and surrounded by plains and agricultural fields on the other. The fertile farms and lands,

(Project Location Map)



irrigated by the dam, have created a beautiful and attractive recreational area with a mild and pleasant climate.

2-4-access to the infrastructures:

No.	Needed infrastructures	distance to the project	The supply infrastructures
1	water	0	Water well at the project site
2	electricity	500 meters	Qaleh Shiyan Village
3	gas	500 meters	Qaleh Shiyan Village
4	Telecommunications	500 meters	Qaleh Shiyan Village
5	High way	9 kilometers	-
6	Sub way	1 kilometer	-
7	airport	68 kilometers	-
8	port	540 kilometers	-
9	Rail way	63 kilometers	-
10			
11			

3- Technical Specifications of plan:

3-1 –product:

Today, the tourism industry holds great value and importance in all societies and is referred to as the engine of development. As the largest and most diverse industry in the world, it is recognized as the most important source of income and job creation for many countries. Due to its economic and social significance, tourism has increasingly attracted attention, and governments are prioritizing it. Today, it is one of the main pillars of the global economy and one of the key industries with rapid growth in global economic

development. By creating the highest level of added value, both directly and indirectly, it can influence other economic and cultural activities. Globally, tourism ranks third after oil and automotive industries. Tourism is a recreational activity undertaken by travelers in search of the beauty of nature, comfort, relaxation, and enjoyment, along with gaining new experiences. The tourism industry offers a variety of services, including recreational, accommodation, sports, and even commercial services to tourists. Tourism is so vast and expandable that it has become a full-fledged industry in today's world and can be as employment-generating and income-producing as any other industry. This project provides services in the tourism sector. The tourism industry is one of the most profitable and employment-generating sectors in today's society, accounting for a significant portion of global employment. The services offered at this tourism center include water sports and recreation (pedal boats, sport fishing), gazebos, green spaces, and a restaurant.

(Product/Sample Image)



3-2-project's requirements:

3-2-1-Space and infrastructure required:

This project is designed with an annual capacity of 37,200 visitors. After obtaining the necessary permits, construction will begin, followed by the issuance of an operational license, and the project will then commence its activities. The plan will be able to cover its costs and generate annual income through the provision of various services, including recreational services, a restaurant, jet skiing, fishing, and water sports. According to the standards for constructing a tourism complex with a capacity of 37,200 visitors per year, 500 square meters of land are required, with 300 square meters allocated for enclosed space and 200 square meters for open space. The total area designated for the implementation of this plan is 500 square meters of land. The required power infrastructure, including the necessary transformer, will be provided, with electricity supplied from the village of Qaleh Shiyan. For the implementation of the plan, approximately 100 square meters will be needed for a security building and waiting hall, along with outdoor spaces, gazebos, green areas, and public parking lots. The plan site, Shiyan Dam, offers a beautiful and scenic environment, making it an ideal location for leisure activities. It will provide the necessary infrastructure for water-based recreation and be ready to serve both domestic and international tourists.

Table: Investment in Land, Landscaping, and Buildings

Row	Description/Structure Name	Description	Plan Required Investment (Million IRR)		Total Cost (Million IRR)
			Area/Required Size	Unit Purchase/Construction Price (IRR)	
1	Land	500 square meters of public land	500	0	0
2	Landscaping	As per related	500	7,840,000	3,920

	Operations	details			
3	Construction Operations	Restaurant Building	200	150,000,000	30,000
		Other Buildings	100	150,000,000	15,000
Total			-	-	48,920

3-2-2-Equipment and machinery:

Table: Required Machinery and Equipment (Primary)

Row	Machine/Equipment Name	Total Quantity	Required Investment for Plan (Million IRR)		Total Cost (Million IRR)
			Domestic Purchase Price (Million IRR)	Currency	
1	4-Person Pedal Boat	15	120	Million IRR	18,000
2	Jet Ski	3	6,000	Million IRR	18,000
3	Gas Stove for Restaurant	1	500	Million IRR	500
4	Restaurant Oven	1	850	Million IRR	850
5	Refrigerator Display	1	50	Million IRR	50
6	Standing Refrigerator	1	170	Million IRR	170
7	Steel Table for Restaurant	1	120	Million IRR	120
8	Industrial Meat Grinder	1	270	Million IRR	270
9	Industrial Mixer	1	120	Million IRR	120
10	Dough Maker	1	100	Million IRR	100
11	Industrial Grill	1	140	Million	140

				IRR	
12	Industrial Fryer	1	320	Million IRR	320
13	Water Cooler	1	250	Million IRR	250
14	Cooking Utensils	1	850	Million IRR	850
15	Hall Equipment (Tables, Chairs, Beds, Décor, Decorative Elements)	1	2000	Million IRR	2000
Total					25,540

Table: Machinery and Equipment (Auxiliary)

Row	Machine/Equipment Name	Unit of Measurement	Equipment Type	Plan Required Investment (Million IRR)		Total Cost (Million IRR)
				Quantity	Unit Purchase Price (Million IRR)	
1	Electricity Connection / Demand Width	KW	Facilities	5	60	300
2	Various Electric Cables	M	Facilities	100	4	400
3	Electrical Equipment for Lighting System	Number	Facilities	10	40	400
4	Cost of Panels and Related Electrical Equipment	Number	Facilities	1	320	320
5	Water Connection	-	Facilities	1	4500	4500
6	Other Water Transfer Equipment	Number	Facilities	1	350	350
8	Other Piping (Electric, etc.)	M	Facilities	120	3	360
9	Firefighting, Safety, Health, etc. Equipment	Capsules	Facilities	5	30	150
10	Gas Piping	M	Facilities	500	5	2500
11	Gas Connection	-	Facilities	1	400	400
12	Ventilation Equipment	Fan	Facilities	2	35	70
13	Other Safety Equipment and CCTV Systems	Set	Facilities	1	200	200
14	Office Equipment	Set	Administrative	1	250	250
15	Other Ancillary	-	Facilities	1	1500	1500

	Infrastructure					
Total						11,700

3-2-3- Raw materials and intermediate components:

Restaurant Raw Materials

Row	Description	Unit	Purchase Cost (IRR)	Annual Consumption	Annual Cost (Million IRR)
1	Rice	Kilogram	650,000	2000	1300
2	Meat	Kilogram	5,800,000	1000	5800
3	Chicken	Kilogram	950,000	2000	1900
4	Oil	Liter	550,000	1000	550
5	Various Vegetables	Kilogram	250,000	2000	500
6	Soft Drink	Unit	150,000	2000	300
7	Yogurt	Unit	150,000	2000	300
8	Doogh	Unit	150,000	2000	300
9	Mineral Water	Unit	50,000	2000	300
10	Other Restaurant Supplies	-	-	1	380
Total					11,630

3-2-4-management and human resources:

No.	Skill level	number	Salaries (wages) (Rials)
1	expert	2	200,000,000
2	skilled	2	150,000,000
3	non-skilled	8	125,000,000

- Number of skilled personnel required: 2 person
- number of non- skilled personnel required: 2 person
- number of expert personnel required: 8 person

4- Ownership and legal permission:

4-1- ownership of land:

The National Land and Housing Organization is obligated to provide the required land to investors at appraised prices under a five-year lease-to-own arrangement. According to Article (6) of the Law on the Development of Iran's Tourism Industry (approved in 1991), the Urban Land Organization, municipalities, the Forests and Rangelands Organization, and other related ministries and organizations are required to allocate land for the construction of tourism facilities. These lands must be provided at regional or final prices in a manner that does not reduce public revenue, upon the recommendation of the Cultural Heritage, Tourism, and Handicrafts Organization. Additionally, tourism facilities and travel service offices are subject to industrial tariffs for costs related to fuel, water, electricity, and telephone services (including connection and usage). The relevant authorities are required to calculate and collect these costs based on industrial tariffs, regardless of the type of construction license, land use, or consumption level.

4-2- Intellectual property and incentives:

- In the field of external financing (finance), according to the law establishing the Ministry of Cultural Heritage, Handicrafts, and Tourism, at least 10% of the country's total financing quota must be allocated to the development of tourism and handicraft plans.
- A 50% tax exemption is granted for all tourism facilities with an operational license for a period of 6 years.

- Special powers are granted to provincial governors regarding the resolution and approval of tourism plans at the provincial level, exclusively through the Provincial Planning and Development Council.
- A 10-year tax exemption is provided for hospitals, hotels, and tourism accommodation centers located in underdeveloped areas, and a 5-year tax exemption is granted to those located in other regions.

4-3-legal permission:

Based on Article (7) of the Law on the Development of Iran's Tourism Industry, Article (1) of the Law on the Establishment of the Ministry of Cultural Heritage and Tourism, and the Law on the Establishment of the Ministry of Cultural Heritage, Tourism, and Handicrafts, the issuance and renewal of any license for the establishment and operation of tourism facilities, as well as the suspension and revocation of such licenses, falls under the responsibility of the Ministry of Cultural Heritage, Tourism, and Handicrafts. All tourism facilities must obtain an operational license from this Ministry in order to conduct their activities.

5- Market study and Competition:

Tourism is considered one of the largest economic drivers of the modern era and is recognized as an economic tool. This industry, by combining and simultaneously utilizing both internal and external resources, brings significant social, economic, environmental, and cultural benefits. This has led many local, regional, and national managers and planners worldwide to focus on its expansion. In other words, there is a special emphasis on tourism destinations as revenue-generating potentials, which play a unique role in the development of geographical areas. Investment in these areas can serve as an effective tool

for the comprehensive growth and development of host communities. Therefore, investing in geographic areas with diverse recreational and tourism sites helps expand intersectoral relationships and stimulates other economic activities. One of the resources that has emerged as a major tourist attraction in recent years is dams. The construction of dams on rivers is considered a key factor in development today. Dams create large water bodies in an area and provide a peaceful environment for tourists. Historically, areas surrounding seas, lakes, wetlands, and rivers have been the locations where human settlements have formed, sometimes leading to the establishment of great civilizations in these regions. Therefore, both natural and artificial bodies of water have always had the potential to attract human populations. Dams and their associated power plants, in addition to being important sources of water and energy, also create unique landscapes, offering great opportunities for the growth and development of the tourism industry. Shiyan Dam, located in Islamabad-e-Gharb County, has great potential for utilizing this capacity to attract tourists. This plan is in line with supporting tourism and sustainable development, aiming to expand tourism activities and infrastructure at Shiyan Dam. It also supports private sector capabilities in developing tourism and attracting public participation by creating water sports infrastructure. The two sides of the lake, due to the presence of vegetation and the scenic views of the lake, provide a suitable location for short-term accommodation units. Therefore, short-term accommodation units (gazebos) are planned for the northern side of the site. Given the length of the lake, water-based recreational activities such as jet skiing, boating, flyboarding, parasailing, shuttle boats, and kite surfing can be located around the lake. The restaurant is planned for the northern side of the lake, benefiting from views of the lake and the visual appeal of the water, with easy access to these facilities. It is clear

that creative features, such as transparent spaces and floating lightweight structures on the water, will enhance the attractiveness of these service areas.

5-1- Introduce target market:

As the tourism industry plays a crucial role in the development of the economic systems of societies today, and countries are competing to attract international tourists, marketing, and particularly the selection of the target market, has become one of the most important issues for any tourism destination. In this project, the target market includes various tourists from across the country. Additionally, considering that Kermanshah Province is one of the five border provinces with Iraq, with over 300 kilometers of shared border with the country, and the favorable conditions such as strong relations with Iraq, including cultural and religious similarities, a golden opportunity has been created for the national economy and, consequently, for Kermanshah Province. This opportunity becomes even more prominent when considering the possibility of establishing proper communication with the two distinct linguistic and religious regions of Iraq: Kurdistan and the Arab-speaking region. The shared land border between Kermanshah Province and Iraq connects the province's economy to Iraq. Therefore, this project has the potential to become one of the main tourism hubs for Iraqi tourists.

6- Physical Progress of project: yes ☐ No ☒

This plan is a development initiative designed to address the country's need for recreational and tourism services. The implementation stages of this project have not yet made any progress.

7- Action plan and Implementation schedule:

The implementation of the project stages until its operational launch is planned to take 12 months.

Project Implementation Timeline

		Mth . 1	Mth . 2	Mth . 3	Mth . 4	Mth . 5	Mth . 6	Mth . 7	Mth . 8	Mth . 9	Mth . 10	Mth . 11	Mth . 12
Shiyan Dam Recreational and	Feasibility Study												
	Permits												
	Construction												
	Equipping												
	Training												
	Operations												

8- Financial projection:

8-1- The cost estimate:

Cost Estimation

Row	Topic	Cost (Million IRR)
1	Fixed Investment	91,570
2	Operating Costs (Working Capital)	12,130
3	Financing Costs	103,700

Fixed Investment Estimation (Capital Expenditure)

Row	Topic	Cost (Million IRR)
1	Land Purchase	0
2	Land Improvement and Landscaping	3,920
3	Civil Works and Building Construction	45,000

4	Production Machinery and Equipment		25,540
5	Service and Ancillary Equipment		11,700
6	Protective and Environmental Equipment		0
7	Overhead Costs		0
8	Pre-production Expenses	Pre-investment Studies	140
		Project Management and Organization	960
		Technology Acquisition	0
9	Contingencies		4,310
Total			91,570

Working Capital Estimation (Production Costs)

Row	Topic		Cost (Million IRR)
Variable Costs			44920
1	Raw Materials		11,630
2	Human Resources		23,420
3	Marketing (excluding workforce)		1590
4	Other Variable Costs	Fuel and Energy	880
		Maintenance	5,260
		Contingencies	2,140
Fixed Costs			16,110
5	Raw Materials		0
6	Human Resources		5,850
7	Marketing (excluding human resources)		0
8	Depreciation		8,220
9	Other Fixed Costs	Fuel and Energy	170
		Maintenance	1320
		Contingencies	370
		Insurance	180
Total			61,030

8-2- Estimated revenues:

Table: Revenue Estimates for the First 5 Years

Row	Topic	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Year 1	Year 2	Year 3	Year 4	Year 5
1	Restaurant Services	20,925	20,925	6,975	6,975	55,800	59,290	62,780	66,260	69,750
2	Parking Services	2,510	2,510	840	840	6,700	7,120	7,540	7,960	8,380
3	Recreational Services	8,370	8,370	2,790	2,790	22,320	23,720	25,110	26,505	27,900
Total		31,805	31,805	10,605	10,605	84,820	90,130	95,430	100,725	106,030

8-3-Duration of project operation:

The operational life cycle includes the useful life of the operation, which in tourism plans is typically designed for a duration of 10 years. During the operational phase, revenues and costs will be incurred due to the provision of services. However, revenues are generally higher than costs; otherwise, the project would not be economically viable.

8-4-Break- even analysis:

Fixed Capital Investment= Fixed Costs – Pre-operation Costs

Fixed Capital Investment= 90470 + 1100 = 91570

A. Product Cost Price (IRR):

Cost Price = Total Annual Production Costs / Total Production Volume

Cost Price = 59260000000 / 37200 = 1593010 (IRR)

B. Annual Break-Even Percentage:

Annual Break-Even Percentage= Fixed Costs (TFC) / Total Sales (P) – Variable Costs (V)

Annual Break-Even Percentage= 16110 / 106030 - 44920 = 26%

The value of (P-V) holds particular significance and is referred to as the contribution margin per unit. This profit per unit, or in other words, the portion of each sale that covers fixed costs, is considered as such. Consequently, the break-even point occurs when the total contribution margin of all units equals the total fixed costs. In other words, this level of sales covers not only the fixed costs but also more than 26% of them.

The relationship between total sales revenue and total costs shows that this project generates a profit 26% above the annual break-even point, and over three production periods, it creates a margin of safety for the production activity. In break-even analysis, the margin of safety represents the amount by which actual or forecasted sales exceed the sales level required to reach the break-even point, surpassing it by more than 26%.

D. Gross Value Added (Million IRR)

Gross Value Added = Total Sales – (Maintenance + Fuel and Energy + Raw Materials and Packaging)

$$\text{Gross Value Added} = 106030 - (11630 + 1050 + 6580) = 86770$$

E. Net Value Added (Million IRR)

Net Value Added = Gross Value Added – (Pre-Operational Depreciation + Depreciation)

$$\text{Net Value Added} = 104110 - (10110 + 210) = 93790$$

F. Gross and Net Profit (Million IRR)

1- Gross Profit (Million IRR)= Sales Revenue – Cost of Goods Sold

2- Net Profit (Million IRR)= Gross Profit – (Administrative, Sales, Advertising, and Other Costs)

$$\text{Gross Profit} = 106030 - 59260 = 46770$$

$$\text{Net Profit} = 46770 - (1770) = 45000$$

G. Fixed Capital Per Capita (Million IRR)

Fixed Capital Per Capita = Fixed Investment / Number of Personnel

$$\text{Fixed Capital Per Capita} = 91570 / 12 = 7630$$

H. Total Investment Per Capita (Million IRR)

Total Investment Per Capita = Total Investment / Number of Personnel

Total Investment Per Capita = 103700/ 12 = 8640

I. Annual Rate of Return

Rate of Return = (Total Revenue – Total Costs) / Total Investment

Rate of Return = 106030 - 61030 / 103700= 43%

J. Annual Payback Period

$$\text{Payback Period} = \frac{1}{\text{IRR}} + \text{The duration of the construction period}$$

Payback Period = 3 years and 4 months

8-5- Cost-benefit analysis:

Table: Project Profitability Indicators

Present Value of Total Costs During Execution and Operation	61030
Present Value of Total Revenues During Execution and Operation	106030
Net Present Value (NPV)	54575
Benefit-Cost Ratio (B/C)	1.7
Internal Rate of Return (IRR)	42%

8-6- Sensitivity analysis of IRR:

Table: Sensitivity Analysis

Discount Rate (%)	Net Present Value (NPV) (Million IRR)
10	151143
20	67679
30	25997

40	3530
50	-9272
60	-16847
70	-21422
80	-24193
90	-25835
100	-26752

8-7- Summarize table:

“Project Economic Analysis Summary”

Activity	Detailed Activity Description with Code (ISIC)	Product Name	Nominal Capacity (Unit)
Services	-	Restaurant Services Parking Services Recreational Services	37,200 visitors
Execution Period	Total Fixed Investment (Million IRR)	Annual Working Capital (Million IRR)	Required Workforce
1 years	91,570	12,130	12 people
Internal Rate of Return (IRR)	Net Present Value (NPV) (Million IRR)	Applicant's Contribution (Million IRR)	Benefit-Cost Ratio (B/C)
42%	54,575	31,110	1.7

8-8-Estimation of exchange rate changes during the project implementation:

Since part of the revenue generated from the plan comes from providing services to foreign tourists, exchange rate fluctuations will affect the income from these services and the evaluation results. Additionally, regarding the procurement of machinery and equipment for the project, as all required equipment will be produced and supplied domestically, exchange rate changes will not impact the initial investment cost for the implementation of the plan.

9- Capital needs, the supply and guarantees method:

9-1- Foreign currency needed:

No.	year	Exchange rate
1	first	0
2	second	0
3	third	0
4	fourth	0
5	fifth	0

9-2- The Way of participation and finance method:

The loan for establishing a recreational and tourism complex is part of the government's policies to further develop the tourism sector, given the role of tourism activities in job creation and the use of supportive mechanisms. One of the financial incentives of the plan is the tax exemption provided by the government to support stakeholders in this sector. Another supportive mechanism includes the provision of loans. Investors who are unable to launch the recreational and tourism complex using their own financial resources can utilize bank facilities. However, this option also comes with its specific conditions and regulations, and the loan for this project can be obtained if these criteria are met. One of these conditions is the economic viability of the plan. If the costs exceed the revenue and profit, the project will not be economically viable and could lead to significant losses for the investor. The Ministry of Cultural Heritage, Tourism, and Handicrafts, based on "Clause A of Note 18" and "Clause A of Article 52 of the Accession Law," provides financial facilities and loans in the tourism sector. To this end, the Ministry has aimed to create fairness among those who wish to start a business in the tourism sector by offering loans with a relatively reasonable interest rate. It is clear that

"Clause A of Note 18" and "Clause A of Article 52 of the Accession Law" are the laws developed to offer financial support to investment applicants in the tourism sector and related fields.

9-3- Payback period:

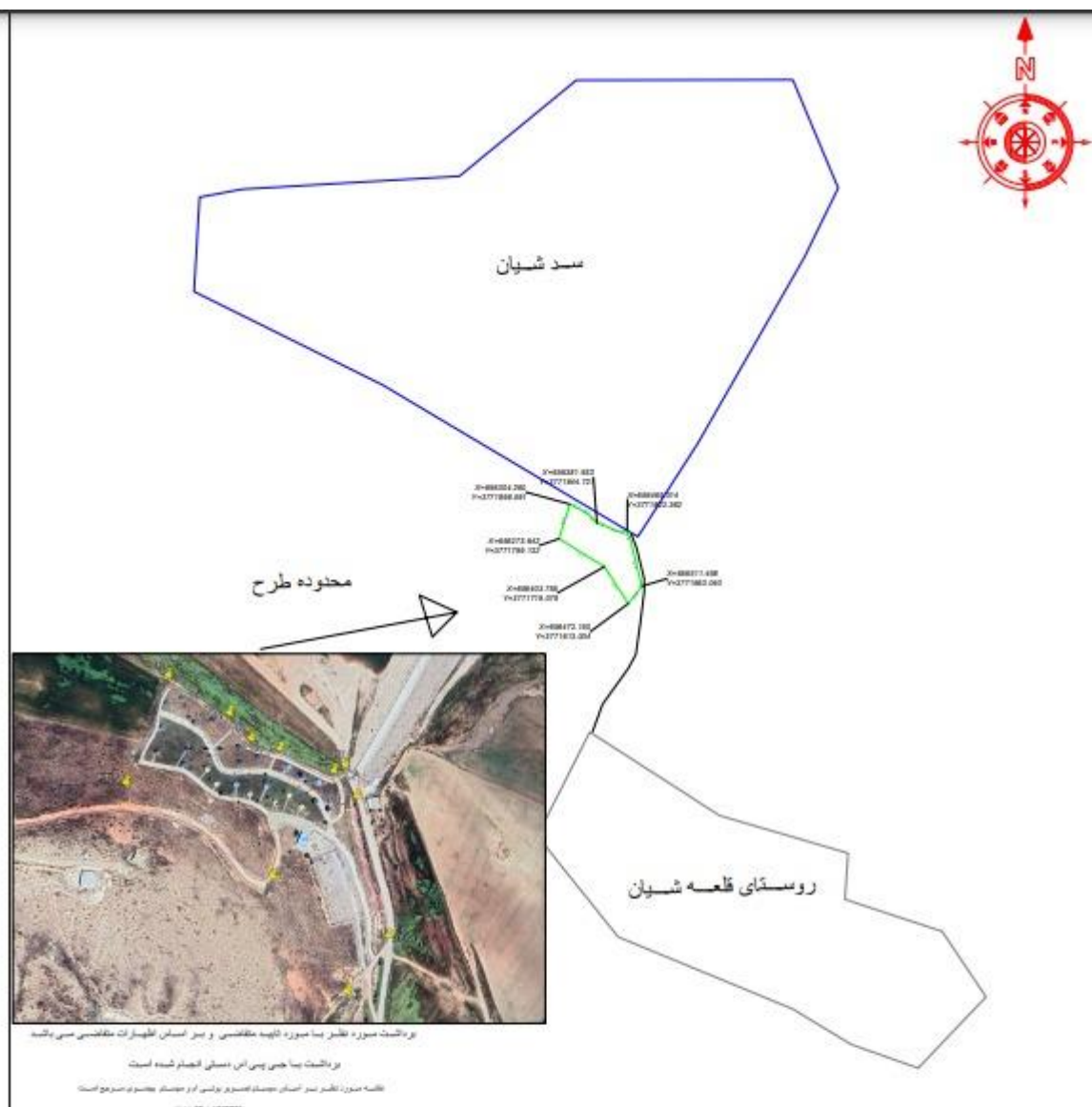
The payback period for this project, based on the amount of fixed and variable capital and the annual revenue generated from providing services, is approximately **3 years and 4 months**, after which the investment will be recouped, or in other words, the initial investment will be recovered.

10- Incentives, features and advantages of project:

Financial support for tourism plans includes the provision of bank loans and their repayment terms, as well as tax exemptions, which, if favorable, facilitate the implementation of the plan and create conditions conducive to investment. Some of these conditions are discussed below. One of the important bank facilities for tourism plans is the provision of long-term bank loans up to 70% of the fixed investment by the country's state-owned banks. This amount can be increased up to 90% for underdeveloped areas if foreign equipment is used. The interest rate for long-term loans in Iranian rials in the tourism sector is 23%, and in the case of good repayment history, part of the loan interest may be refunded. The repayment period for long-term bank loans, depending on the nature of the plan, can be up to a maximum of 8 years, with the possibility of a one to two-year grace period for installment payments. Another important bank facility is short-term loans (6 to 12 months), which can be used as working capital needed for service provision processes. The banking network covers up to 70% of these loans. Obtaining

short-term loans up to this amount is contingent upon gaining the trust of the financing banks and having a good track record in repaying previous loans.

Appendix



اطلاعات موقعیت نقشه		(الف)
استان :	کرمانشاه	
شهرستان :	استرآباد	
بخش :		
دستار :	روستا :	(ب)
پلاک اصلی :	پلاک فرعی :	
مشخصات مجری طرح :		
نام و نام خانوادگی مجری طرح :		
مهندس سیدمحمدحسین حسینی		
کد ملی :	کد شهرداری :	
10103283460	10103283460	
نام مرکز مجری :	سازمان توسعه و عمران شهرستان کرمانشاه	
آدرس :	سازمان توسعه و عمران	
شماره کادری :	شماره کادری :	
تاریخ و امضاء :	تاریخ و امضاء :	

راهنمای نمده

	کوه		جاده
	کوهستان		نهر
	دریا		شهر

موقعیت و راه دسترسی

تاریخ ثبت سند:	مجلس ارشد طرح‌های
تاریخ جلسه:	
مجلس:	
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مهر و امضاء کارگزار:	کارشناس ارشد - بهرام
مهر و امضاء کارشناس:	مجلس - بهرام
مهر و امضاء:	1-15-606-02678 1386/6 / 813/2

